

K# 9463



SEARS, ROEBUCK AND CO.

LOCAL MANAGEMENT

MCMURRAY, PA. PRODUCT REPAIR SERVICES

AND

UNITED STEELWORKERS OF AMERICA

DISTRICT 10 LOCAL UNION #5852-289509

A.F.L.-C.I.O.

**EFFECTIVE**

January 1, 2014 through December 31, 20163

**INDEX**

<b><u>ARTICLE</u></b>		<b><u>PAGE</u></b>
I	RECOGNITION AND JOB SECURITY	3
II	MANAGEMENT RIGHTS	4
III	NO STRIKE – NO LOCKOUT	5
IV	DISCIPLINE PROCEDURE	5
V	UNION REPRESENTATION	6
VI	GRIEVANCE AND ARBITRATION PROCEDURE	7
VII	PROBATIONARY PERIOD	8
VIII	CLASSIFICATION OF ASSOCIATES	8
IX	HOURS OF WORK AND OVERTIME	9
X	SENIORITY	11
XI	RATES OF PAY	12
XII	BENEFIT PROGRAM	12
XIII	GENERAL CONDITIONS	16
XIV	DRUG FREE WORKPLACE	19
XV	SAVINGS CLAUSE	19
XVI	COMPLETE AGREEMENT	19
XVII	TERMINATION CLAUSE	20
EXH “A”	WAGES	21
EXH “B”	HOME DISPATCH	22
EXH “C”	SCHEDULED GROUPS	25
EXH “D”	PM CHECK TECHNICIAN	26

## AGREEMENT

This Agreement is made and entered into this ~~22nd~~<sup>6th</sup> day of ~~December, 2014~~<sup>September, 2011</sup>, between Sears, Roebuck and Co., McMurray, PA Product Repair Service District hereinafter termed Employer or Company, and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO-CLC, on behalf of Local Union #5852-28-9509 hereafter called the Union.

### ARTICLE I RECOGNITION AND JOB SECURITY

#### Section 1. Recognition

The employer recognizes and acknowledges that the Union is the exclusive representative in collective bargaining with the employer for those classifications of employees described as follows:

All full-time and regular part-time service technicians and support specialists employed by the Employer in its McMurray Product Services District; all Over The Counter (OTC) Parts Sales Floor associates located at ~~Unit 7974 McMurray, PA., Unit 7823 Dubois, PA., Unit 8064 - Harrisburg, PA. and Unit 8124 Pittsburgh, PA.~~; excluding all office clerical employees and guards, professional employees and supervisors as defined in the Act, and all other employees.

#### Section 2. Access

An authorized representative of the Union shall have access at all times during working hours to the Company premises for purposes of conferring with members, provided such contacts do not unduly interfere with the normal operations of the Company business. The Union representative will give the District Service Manager or his representative (upon his absence) reasonable advance notice of his/her presence. The Union representative will notify the local unit management of his/her arrival.

#### Section 3. Exclusive Representation

The Company agrees not to recognize, deal with or enter into contractual relations, either orally or written, with any other labor organization concerning rates of pay, hours, or other terms or conditions of employment for any associates covered by this Agreement.

#### Section 4. Non-Discrimination

The Company and the Union agree there shall be no discrimination because of race, color, creed, national origin, military or reserve status, disabled veterans of the Vietnam era, age, sex, sexual preference, mental or physical handicap or union affiliation or activities in the application of any provisions of this Agreement.

It is expressly understood between the parties to this Agreement that actions taken in compliance with mandated Affirmative Action legal obligations imposed upon the Company by virtue of its status as a Government Contractor shall not constitute a violation of this Agreement.

The use of sex designating pronouns in this Agreement shall not be deemed or construed as an expression of preference based on sex, and the provisions of this Agreement shall apply equally without regard to sex.

#### Section 5. Subcontracting

~~The right to transfer or subcontract any type of bargaining unit work shall be vested exclusively with the Company provided as there are no qualified technicians on lay-off in that particular work group and capacity area.~~

The Company, ~~with mutual consent from the union,~~ reserves the right to subcontract out work by industry, in

~~nonproductive zip codes by industry, and when backlogs exceed two and a half third (2.53) days, provided there are no qualified technicians on layoff in that particular work group and capacity area.~~

~~The Company shall not subcontract out work performed by associates in the bargaining unit where the purpose of such subcontracting is to discriminate against or undermine the Union.~~

### **Section 6. Bargaining Unit Work**

- (a) The Company agrees that no persons other than bargaining unit associates shall perform bargaining unit work while associates are on layoff with the exception of sales floor managers who do this work as part of their normal duties. Supervisor/management personnel may be utilized to perform such work on a temporary basis when needed to meet customer demands. In addition, supervisors may also continue to assist in training, demonstrating and providing safety education for associates without violating the Agreement.
- (b) In the event the Company decides to close a facility and transfer any or all of the work previously performed there to a facility not included in the bargaining unit, the Company will consider any bargaining unit employees displaced by the closing for any vacancies in the non-represented facility to which the work has been transferred.
- (c) The Company may, at its sole discretion, hire temporary employees to fill short term business needs, for periods not to exceed a maximum of one hundred and twenty (120) days, provided there are no qualified technicians on layoff in that particular work group and capacity area. The Company may also hire temporary employees to cover associates on any type of leave under this Agreement.

### **Section 7. Union Bulletin Board**

The Company agrees to furnish bulletin boards which the Union shall have the right to use for posting Union notices or notices of special gatherings, provided they have first secured management's approval of such notices. The Union bulletin board will be maintained by the Union stewards or the shop secretary.

### **Section 8. Collection of Union Dues**

Union Steward or his/her designee will be afforded fifteen (15) minutes during his/her normal hours at the monthly Safety Ready Meetings held in each unit without loss in pay to collect union dues. The Union will not be restricted from passing out of Union news in the Company parking lot as long as the associates are not on Company time.

## **ARTICLE II** **MANAGEMENT RIGHTS**

### **Section 1.**

Except as clearly and specifically limited by an express provision of this agreement, the company exclusively reserves and retains all of its inherent rights to manage and operate the business and to direct its workforce.

The management and direction of the workforces, including, but not limited to, the right to promulgate or modify reasonable rules and regulations, the right to hire, promote, transfer, layoff for lack of work, or other legitimate reasons, demote, discipline, suspend or discharge for just cause, the right to plan, direct, monitor, and control operations; the right to determine the sources and kinds of merchandise, materials, parts, facilities and equipment used, handled or sold; the right to alter, limit or curtail operations or any part thereof, as well as determine the number of full-time and part-time personnel, to determine job vacancies, are vested exclusively in the company except as limited or restricted by the express language of this agreement.

### **ARTICLE III** **NO STRIKE – NO LOCKOUT**

#### **Section 1.**

For the duration of this Agreement and any renewal or extension thereof, the Union, its officers, agents, stewards, representatives, members and all associates covered by this Agreement shall not authorize, instigate, cause, aid, encourage, support or condone, nor shall any of the aforementioned persons take part in any strike, including any sympathy strike, work slowdown, work stoppage, refusal to perform work, picketing, or any other interruption of or interference with the business of the Company.

It shall not be a violation of this Agreement, and it shall not be cause for discharge or disciplinary action, or grounds for loss of seniority or permanent replacement, in the event an associate refuses to enter upon any property involved in a lawful primary labor dispute, or refuses to go through or work behind any lawful primary picket line, including the lawful primary line of the Union party to this Agreement or other Unions, including a lawful picket line at the employer's place of business or elsewhere.

#### **Section 2.**

Any or all employees participating in such prohibitive activities shall be subject to discipline, including discharge, at the Company's discretion.

#### **Section 3.**

In the event the Company notifies the Union that a violation of this Article has taken place, the Union will immediately take all steps reasonably necessary to instruct such employee or group of employees, orally and in writing, to resume work immediately. Provided the Union complies in good faith with these requirements, the Union shall be absolved of any responsibility or liability.

#### **Section 4.      No Lockout**

During the term of this Agreement, the Company will not institute a lockout of employees.

### **ARTICLE IV** **DISCIPLINARY PROCEDURE**

#### **Section 1.**

- (a) Associates may be disciplined and/or discharged for just cause.
- (b) Employees will be subject to discipline or discharge without following the progressive disciplinary procedure set forth below, for serious violations of Company Policies, Procedures or Rules of Conduct, including but not limited to insubordination (including failure to obey a direct instruction of a supervisor, directing obscene and/or abusive language to a manager, supervisor, customer or fellow associate), immoral, indecent or violent conduct, dishonesty, including misrepresentation of facts in connection with any claim concerning employment or pay, theft of Company property (including time), possession, being under the influence of drugs or alcohol, or drinking alcoholic beverages during working hours (working hours include breaks and meal periods) or on Company property, or being intoxicated on Company property, willful destruction of Company property or the property of another associate or customer, supplier or carrier serving the Company, driving a Company vehicle without a valid drivers license, violation(s) of the Home Services Driver's Operating and Safety Manual, and violation(s) of the MVR Policy.

#### **Section 2.**

Substandard performance or acts or omissions not warranting immediate discipline, up to and including discharge, will be handled as progressive discipline as follows:

**1<sup>st</sup> Step**

Verbal warning covering discussion. The interview will be conducted by the associates direct supervisor or manager.

**2nd Step**

Verbal and written memo covering discussion. The interview will be conducted by the associates direct supervisor or manager.

**3rd Step**

Written memo covering discussion with a five (5) day suspension. The interview will be conducted by the associates direct supervisor or manager.

**4<sup>th</sup> Step**

Termination

**Section 3. Substandard Performance**

Associates' performance will be evaluated by management each ~~every~~ other month, semi annually or annually depending upon their work classification through the Employee Performance Review process. Associates whose performance is substandard will be subject to the above process with the understanding that improvement must be sustained for three (3) months. Performance will be evaluated based upon the associate's proficiency in completing the required tasks that are essential to the expected performance of the position. For a technician position, productivity (quantity of completed calls), quality of the repair, customer satisfaction, and sales of value added services are the essential tasks. For support positions, quality of the work completed and customer satisfaction are the essential tasks. Technicians shall offer to each of his/her customers service agreements, water filters, promotional specials, and other similar services to meet the needs of the customer.

**ARTICLE V**  
**UNION REPRESENTATION**

**Section 1. Designation**

The Union shall have the right to designate a Steward and/or alternate (chosen by the Union) and shall notify the Company who the Stewards and/or alternates are in all cases. It is understood that there shall be no more than one for each location.

**Section 2. Conduct**

Stewards at the various locations will be authorized to investigate, process and adjust grievances. Except as authorized by the District Service Manager or his designee, such activity shall be conducted on non-work time. When permission to conduct such activity during working time is granted, stewards shall conduct themselves in such a manner as to cause a minimum of disruption of the Company's operation and service to its customers. Permission to conduct such activities during work time will not be unreasonably denied.

**Section 3. Stewards**

When authorized to conduct such activity during work time, stewards will not suffer any loss of pay. If more than one Steward is required, the union will compensate any additional Stewards.

#### **Section 4. Union Business Meetings**

If a shop steward requests time away from work to attend a conference or training opportunity offered by the Union, the request will be granted provided the duration does not exceed seven (7) days and proper notification is given to management. The request may be denied if it would have an adverse impact on customer service due to business needs. The time off will be unpaid and granted with no loss of seniority.

#### **Section 5. Quarterly Labor/Management Meetings**

Representatives of the Union and members of management will conduct a meeting each quarter to foster open communication and dialogue.

### **ARTICLE VI** **GRIEVANCE AND ARBITRATION PROCEDURE**

#### **Section 1. Grievance Procedure**

It is mutually agreed that all grievances, disputes or complaints arising during the term of this Agreement shall be settled in accordance with the procedures herein provided and that there shall at no time be any strikes, slow downs, walk-outs or any other cessation of work.

Every effort will be made to adjust all controversies and disagreements between the Employer and the Union or its members in an amicable manner. In the event that any dispute cannot be settled in this manner, the question may be submitted for arbitration as hereinafter provided.

#### **Section 2. Grievance Steps**

Should any grievance, dispute or complaint arise over the interpretation or application of the contents of this Agreement, there shall be an earnest effort on the part of the parties to settle such promptly through the following steps.

##### **Step 1.**

An associate grievance shall first be taken up by conference, the aggrieved associate, the shop steward, or both, and the manager or supervisor of his or her department.

##### **Step 2.**

If the grievance is not settled in step 1, it shall be the responsibility of the aggrieved associate to reduce the grievance to writing on the regular grievance form provided by the Union not later than ten (10) calendar days of the grievant's knowledge of the complaint. A copy of the grievance shall be filed with their manager or supervisor. The grievance shall identify which section(s) of the Agreement have been violated and remedy sought. The Employer shall submit a written response with a local union official within ten (10) days from the receipt of the grievance.

##### **Step 3.**

In the event the Union is not satisfied with step 2 response, a meeting shall be requested by the Union within fourteen (14) calendar days of the step 2 response. Such grievance shall be the subject of a meeting between the District Service Manager and or his/her designate and the International representative of the Union. Such meetings, to the extent possible, shall be scheduled during non-work hours and representatives for each party shall be paid by their respective party.

##### **Step 4. Arbitration**

- A. If the grievance is not satisfactorily settled in the third step within ten (10) working days after the meeting provided for in the third step, the grievance may be submitted for arbitration within thirty (30) calendar

days, provided that the grievance involves a claim of an express violation of a provision of this contract.

- B. Upon the making of a proper and timely written request for arbitration, the Company and the Union shall agree upon an arbitrator to decide said issue. In the event that the parties have not agreed upon the selection of an arbitrator within fifteen (15) days after the request of arbitration has been made, either party may request the Federal Mediation and Conciliation Service to submit to the parties a list of seven (7) persons suitable for selection as an impartial arbitrator. If the parties cannot agree upon one of the persons named on the list, either party may strike one full panel or the Union and the Company shall strike a named alternate (with the parties alternately striking the first name) until one name remains, such remaining person shall act as the impartial arbitrator, and the Federal Mediation and Conciliation Service shall be promptly notified of such selection. Only one (1) grievance may be before any one arbitrator at any one time.
- C. The fees and expenses of the arbitrator so selected, if any, shall be born equally by the parties. The total cost of any stenographic record or transcript which may be made, and all copies thereof, shall be paid for by the party ordering the same, but no copy shall be made available to the other party unless it agrees to share the cost equally.
- D. The authority of the arbitrator shall be limited to the construction and application of the terms of this Agreement, as applied to the specific grievance referred to him for arbitration. The arbitrator shall have no authority or jurisdiction, directly or indirectly to add to, subtract from, or amend any of the specific provisions of this Agreement or impose liability not explicitly expressed. No right of management shall in any manner be taken from the Company, limited or modified in any respect, excepting only to the extent that this Agreement clearly and explicitly expresses an intent and Agreement to divest the Company of such right. The decision of the arbitrator shall be final and binding upon the Union and the Company.

### **Section 3. Time Limitations**

The time limitations set forth in this Article are of the essence of the Agreement. No grievance shall be accepted by the Company unless it is submitted or appealed within the time limits set forth above in this Agreement. If the grievance is not timely submitted at Step 1 or Step 2, it shall be deemed waived. If the grievance is not timely appealed to Step 3, it shall be deemed to have been settled in accordance with the Company's Step 2 answer. If the Company fails to answer within the time limits set forth in this Agreement, the grievance shall automatically proceed to the next Step. The parties may mutually agree to extend the time limitation herein.

## **ARTICLE VII** **PROBATIONARY PERIOD**

### **Section 1.**

All newly hired associates, including full-time associates (technicians), full-time Advantage associates (support specialists and parts sales) and part-time associates (technicians, support specialists and parts sales) and any associates who are re-hired shall be considered as probationary associates for a period of one hundred and twenty (120)~~ninety (90)~~ calendar days of continuous service following their most recent or last date of hire. During this probationary period, such associates may be transferred, laid off or terminated at the sole discretion of the Company and they shall not have access to or rights under the grievance procedure.

Upon the hiring of any new employee, notice of such hiring shall be promptly given to the Union and shall contain the name, classification and rate of pay of such newly hired employee.

## **ARTICLE VIII** **CLASSIFICATION OF ASSOCIATES**

### **Section 1. Full-Time Associates** (Technicians, Preventative Maintenance Technicians (see Exhibit "D"))



A full-time associate is an associate who has completed his probationary period and is scheduled to work up to 40 hours per week. The scheduled work week begins on Monday and ends on Saturday.

**Section 2. Full-Time Advantage Associates (Support Specialists and Parts Sales)**

A full-time advantage associate is an associate who has completed his probationary period and is scheduled to work thirty (30) hours or more in a work week. The scheduled work week shall begin on Sunday and end on Saturday.

**Section 3. Part-time Associates (Technicians, Preventative Maintenance Technicians (see Exhibit "D"), Support Specialists and Parts Sales)**

A part-time associate is an associate who has completed his probationary period and is scheduled to work up to twenty-nine (29) hours in a work week. The scheduled work week is Sunday through Saturday. At management's discretion, such associates may occasionally be scheduled up to forty (40) hours per week according to the needs of the business.

**ARTICLE IX**  
**HOURS OF WORK AND OVERTIME**

**Section 1. Work Week**

The work schedules for full-time associates are based upon a work week beginning on Monday and ending on Saturday. The standard hours of work for full-time associates shall be forty (40) hours per week comprised of five (5) eight (8) hour days. This provision defines the standard work week and normal hours of work and is not to be construed as a guarantee of hours per week or per day.

The work week for full-time advantage associates shall normally consist of thirty (30) hours or more per week. However, Management reserves the right to schedule full-time advantage associates less than thirty (30) hours per week as business needs dictate.

The work week for part-time associates shall normally be less than thirty (30) hours per week with a minimum of three (3) hours per shift. However, based on a part-time associate's availability of hours to work, his skill and ability, and the needs of the business, management may schedule part-time associates for more or fewer hours than stated herein.

For technical operations there will be four (4) Saturday groups:

- Group A will consist of the top ten percent (10%) of the technicians based on seniority who will not be required to work Saturdays unless on a voluntary basis.
- Group B will work one (1) out of each four (4) Saturdays and consist of the next seven percent (7%) of the technicians based on seniority, with a minimum requirement that each technician will work at least 13 Saturdays a year. Days off will be scheduled Tuesday through Friday and be chosen by seniority.
- Group C will work two (2) out of each four (4) Saturdays and consist of the next fifty-one percent (51%) of the technicians based upon seniority, with a minimum requirement that each technician will work at least 26 Saturdays a year. Days off will be scheduled Tuesday through Friday and be chosen by seniority.
- Group D will work three (3) out of each four (4) Saturdays and consist of the bottom thirty-two percent (32%) of the technicians based upon seniority, with a minimum requirement that each technician will work at least 39 Saturdays a year. Days off will be scheduled Monday through Friday and be chosen by seniority.
- No single vacation or personal days may be taken on Saturdays.

Groups will be determined every six (6) months with a 30 day implementation period to adjust current scheduling. The Company reserves the right to schedule on Saturday as many associates in each work group as required to meet the needs of the business.

If it becomes necessary to institute a Sunday schedule for technicians the Union would bargain with the Company by unit at that time.

**Section 2. Overtime Pay**

Overtime will be paid at the rate of time and one-half (1-1/2) the associate's regular hourly rate for all hours worked in excess of forty (40) hours a week. Overtime shall not be paid more than once for the same hours worked.

### **Section 3. Daily Unscheduled Hours**

Daily unscheduled hours are those hours that may be required of associates in excess of their regularly scheduled hours (e.g., to handle a normal days work or emergency situations) and will result in overtime pay provided the associate works more than forty (40) hours within the scheduled week. The technician could be required to work ~~ninety minutes~~ two (2) hours in excess of his regular quitting time, except on Saturday. If the technician can arrive on the service call by or before 6 pm, the technician must proceed with the call. If the technician cannot arrive on the service call by or before 6 pm, the technician must call Routing/the TM to have the service call removed. On Saturdays, if the technician can arrive on the service call by or before 4:30 pm, the technician must proceed with the call. If the technician cannot arrive on the service call by or before 4:30 pm, the technician must call Routing/the TM to have the service call removed. Every effort will be made to accommodate individuals with personal situations, provided advance notice is given to their manager. If the associate does not work more than forty (40) hours within the scheduled week, the hours will be paid at straight time. If a full time associate is scheduled for a five (5) day/forty (40) hour workweek and exceeds eight (8) hours in any day, those hours in excess of eight (8) in a day will be adjusted to be paid at time and one-half (1-1/2) if the Company prevents the associate from completing their scheduled workweek and the associate reports those hours to their manager. For associates scheduled to work less than forty (40) hours in any workweek, hours worked in excess of eight (8) in a day will be paid at straight time.

### **Section 4. Scheduled Overtime**

Scheduled overtime hours are those hours in excess of forty (40) hours worked within the associate's work week that are known and scheduled twenty-four (24) hours in advance such as a 6<sup>th</sup> day. Scheduled overtime hours will be offered by seniority to the qualified associates in the scheduled group, by capacity area, in which the work is required. If an insufficient number of associates accept overtime to meet the needs of the business, management may require one or more associates to work overtime by reverse seniority.

### **Section 5. Call In Hours**

A minimum of three (3) hours pay or work shall be given any full-time, full-time Advantage or part-time associate called in to work at the Company's request. This minimum does not apply to any associate who is unable, for personal reasons, to work the required minimum.

### **Section 6. Rest and Lunch Periods**

All associates shall receive a fifteen (15) minute paid rest period for each four (4) hours worked.

Associates working in excess of five and one-half (5-1/2) hours in one day are required to take an unpaid meal period. Meal periods will be one half (1/2) hour. An exception to this meal period policy is made for Sundays and National Holidays on which the unit is open six (6) hours or less. In these cases, if associates are scheduled six and one-half (6-1/2) hours or less, no meal period is allowed. Associates may leave the premises during their lunch period. All associates are required to "swipe" in and out before and after their lunch period.

### **Section 7. Reports as Scheduled**

If an employee reports to work as scheduled and the Company has not notified him not to report at least two (2) hours in advance, he shall receive work.

### **Section 8. Retail Outlet Store**

Technicians who are permanently assigned to work in the Retail Outlet Store may work a 7:00 am to 3:30 pm Monday through Friday daily shift.

## **ARTICLE X** **SENIORITY**

### **Section 1.**

For the purpose of this article, seniority shall date from the associate's date of employment in his current bargaining unit position after successful completion of the probationary period. Union Seniority shall be broken if the associate quits, is laid off for a period in excess of one (1) year, fails to return to work upon recall from layoff, fails to return to work at the end of a company approved leave of absence, is absent for two (2) consecutive scheduled work days without notifying the Company, or is discharged for cause.

If two (2) or more associates have the same hire date seniority shall be determined by the last four (4) digits of the social security numbers with the lowest number being senior.

Seniority shall be distinguished from "continuous service" and "adjusted service date" as used by the company. All company benefits and policies and eligibility therein shall be based on the associates "adjusted service date" and/or "continuous service" with the Company. Any newly hired external A&E associates will be considered a new associate for seniority purposes.

### **Section 2.**

There shall be separate seniority lists for the Full-time, Full-time Advantage and Part-time Associates in each Company location and by scheduled group and capacity area covered by the Agreement. Updated seniority lists will be posted by the Company once a year each July and technicians notified of said list via an SST message. Associates who dispute their positioning on said lists must protest the list within thirty (30) working days of posting or they lose their right to protest their seniority date and position on the list.

### **Section 3.**

The Company recognizes the principle of seniority in filling vacancies, scheduling, determining layoffs and reduced hours, and in making promotions by job class, location, scheduled group and capacity area. Seniority will only govern where skill and ability are relatively equal. Preference for promotion to all vacancies and new positions will be given to employees currently in said location, by scheduled group and capacity area. Associates bidding for new positions must be qualified for the position to be given preference for the position over outside qualified candidates.

### **Section 4.**

Job vacancies will be posted for a period of five (5) working days in all locations and a message sent, via SST, to the technical workforce. An effort will be made to fill vacancies within fifteen (15) working days of date of posting. A posting can be removed anytime within the five (5) day period and be declared null and void. Management will make every effort to notify any associate who is absent (i.e. short term illness or vacation). The steward may sign the bid sheet in behalf of the associate.

### **Section 5.**

Associates who are selected for promotion under the bidding procedures have ninety (90) calendar days to decide whether to remain on the new job or to return to their previous job. Management may, within the same ninety (90) day period, and with good and sufficient reason, remove said associate from the bid and return to the original job. If an associate is promoted into management, he/she will forfeit union seniority after 90 days.

### **Section 6.**

In the event a layoff or reduction of hours becomes necessary, part-time associates will be laid off or reduced in hours before full-time associates to extent possible while still maintaining adequate coverage for customer service. When it becomes necessary to layoff associates, the Company will notify a shop steward and the associate at least two (2) work days in advance.

### **Section 7.**

Full-time associates subject to layoff in their scheduled group and capacity area may claim any remaining part-time hours in their scheduled group and capacity areas. Full-time associates who choose part-time employment will be eligible for benefits in accordance with Company policy for part-time status.

## **ARTICLE XI** **RATES OF PAY**

Rates of pay are set forth in Exhibit "A".

## **ARTICLE XII** **BENEFIT PROGRAM**

### **Section 1.**

The employer agrees that all eligible associates covered by this Agreement will be eligible to participate in the Company benefit program as currently administered and periodically amended. Should the Company, on a national basis, amend or modify the above benefits, then such amendments or modifications shall be instituted with respect to associates covered by this Agreement. The Company agrees to notify the Union of any subsequent changes or amendments in the Company benefit program.

### **Section 2.      Vacations**

Should the Company, on a national basis, amend or modify the Vacation benefits, then such amendments or modifications shall be instituted with respect to associates covered by this agreement.

- (a) Full-time and Full-time Advantage associates are eligible to earn vacation credits after their first year of employment. Part-time associates do not earn vacation in their first year of employment. If they work 1,000 or more hours in their first year, they begin accruing vacation in their second year. Part-time associates must re-qualify for vacation each year.

**Note:** Part-time associates are not entitled to a lump sum vacation allowance for their first year of employment.

- (b) Full-time, full-time advantage and part-time associates who meet the eligibility requirements earn vacation according to the following:

<b>Continuous Service FT Associate</b>	<b>Vacation Hours Earned for Each Week Worked</b>	<b>Annual Entitlement</b>
1 but less than 2 years	.76923	1 week (40 hours)
2 but less than 7 years	1.53848	2 weeks (80 hours)
7 but less than 15 years	2.30772	3 weeks (120 hours)
15 or more years	3.07696	4 weeks (160 hours)

Continuous Service FT Advantage Associate
1 but less than 2 years
2 but less than 7 years
7 but less than 15 years
15 or more years

Vacation Hours Earned for Each Week Worked
.67307
1.34617
2.01926
2.69234

Annual Entitlement
1 week (35 hours)
2 weeks (70 hours)
3 weeks (105 hours)
4 weeks (140 hours)

Continuous Service Part-time Associates
1 but less than 2 years
2 but less than 7 years
7 but less than 15 years
15 or more years

Vacation Hours Earned for Each Week Worked
.48076
.96154
1.44231
1.92308

Annual Entitlement
1 week (25 hours)
2 weeks (50 hours)
3 weeks (75 hours)
4 weeks (100 hours)

**Note:** Full-time and full-time advantage associates who are eligible for five (5) weeks of vacation as of January 31, 2006 will continue to be eligible for five (5) weeks of vacation.

- (c) Associates vacation is earned and accumulated on a weekly basis and is reduced by hours taken. Vacation pay will be based on the associate's regular hourly rate.
- (d) The plan year for vacation will be based on the fiscal year. Associates may carry over up to a maximum accumulation (maximum accumulation is 1.5 times annual entitlement). No future vacation accruals will be earned until the associate takes vacation time to reduce their vacation bank below 1.5 times annual entitlement. Associates can anticipate no more than a negative forty (-40) hours of vacation.
- (e) Associates will be permitted to choose their vacation dates based on seniority, for sales and support by unit, for technicians by scheduled group and capacity area. Vacation scheduling meetings will be held by the end of February each year. Vacations will be chosen using the following procedure.

Weeks of vacation

5 weeks  
4 weeks  
3 weeks  
2 weeks  
1 week

1st pick

2 weeks  
2 weeks  
1 week  
1 week  
1 week

2nd pick

2 weeks  
1 week  
1 week  
1 week  
skip N/A

3rd pick

1 week  
1 week  
1 week  
1 week  
skip N/A

+ week N/A

The maximum percentage of associates off at any one time within a unit, or schedule group in a capacity area for a combination of vacation, holidays and floating holidays are:

- A. Prime Time: Ten percent (10%) (traditional rounding: .5 or above rounds up) (minimum one (1) associate), except that Lawn and Garden will be allowed ten percent (10%) plus one (1).
- (May through September) all scheduled groups except Electronics and Lawn and Garden.
  - (October through March) for Electronics Department and Small Appliance.
  - (April through September) for Lawn and Garden.
- B. During Non-Prime Time up to thirty (30%) percent (minimum one (1) associate).

(f) During the following periods associates will not be allowed to take vacation or paid holidays:

- April, May and June for LG1, LG2, LG3 and RC3 technicians
- October HV4 will be limited to one (1) technician off per group per week
- the week prior to and the week of the Thanksgiving and Christmas holidays for technicians with the cooking specialty, vacations will be limited to:
  - for the Pittsburgh/McMurray/St. Clairsville combined area, and Harrisburg/Lancaster capacity areas, two (2) technicians in each area per week
  - for the Johnstown, Dubois, and State College/Altoona capacity areas combined, and Greensburg, one (1) technician per week
  - for the Bridgeport and Cumberland capacity areas combined, one (1) technician per week
- parts backroom and sales associates shall not be allowed to take vacation the week prior to inventory and during the week of inventory.
- Prior to any layoffs during these restricted time periods, the Company will first ask for voluntary layoffs.

(g) Full weeks of vacation shall take precedence over floating holidays and daily vacation requests.

(h) Exceptions to the foregoing may be allowed with management approval.

(i) When a holiday falls within an associate's vacation period, an additional day of vacation will be granted, by seniority by availability. Vacation days must be taken consecutively in weekly increments except one week may be taken as single vacation days. No single vacation day shall be taken during Prime Times, with the exception that each Schedule Group may allow one associate to take one single vacation day one day a week (for the entire group based upon seniority) which shall not be a Saturday or during the week of a holiday. Associates in Group 1 shall not take a single vacation day if the percentage is already met.

(j) Vacations will be scheduled by seniority in each capacity area and scheduled group. No associate may take more than three (3) weeks of vacation during the prime vacation period. Exceptions to this may only be made by mutual agreement between the Union and the Company. The length of vacation during non-prime vacation period will be established by mutual agreement between the Union and management.

(k) In scheduling vacations, full weeks of vacation will take precedence over personal holidays. Full-time vacations take precedence over part-time vacations.

(l) Technicians will not be required to work a sixth (6<sup>th</sup>) day of overtime on a week prior to a pre approved vacation week if they would otherwise be off as part of the regular Saturday rotation.

(m) Technicians working a Monday through Friday work schedule will not be required to work a mandatory sixth (6) day of overtime on Saturday if:

- 1) they have a previously approved personal holiday or vacation day on Friday of that work week
- 2) and no other technicians in their work group are on vacation that work week or the following week. Other requests will be given consideration based on business needs

(n) Vacation requests that are authorized by management prior to the work week are considered "pre-approved." All pre-approved vacation time will be paid at the hours requested up to eight (8) hours per day. Vacation requests that are authorized by management after the work week has begun will be subject to allocation based on hours actually worked, with total hours paid not to exceed forty (40) hours for the work week.

### **Section 3.      Personal Holidays**

Should the Company, on a national basis, amend or modify the Personal Holiday benefits, then such amendments or modifications shall be instituted with respect to associates covered by this agreement.

Full-time associates with six (6) months of service shall be entitled to four (4) personal holidays per fiscal year. Associates who are eligible for personal holidays on February 1 will be allocated two (2) personal holidays, on May 1 will be allocated one (1) personal holiday and on August 1 will be allocated one (1) personal holiday for a total of four (4). Personal holidays may be picked during the vacation meeting after the vacation selection is completed. Personal holidays will not be unreasonably denied by management if requested at least one (1) week before the scheduled or granted date. Every effort will be made to accommodate individuals with personal or emergency situations which require less than one (1) week

notice. Personal holidays will not be scheduled in conjunction with Company recognized legal holidays or a regularly scheduled day off except by mutual agreement between management and the associate. Two (2) personal holidays may be taken on Saturday in compliance with Article 12 – Benefits Program, Section 2, sub paragraph F, one of which may be during “Prime Time” as defined in Article 12, Section 2, sub paragraph E. Personal holidays must be taken within the fiscal year earned and may not be carried over into the next fiscal year

#### **Section 4. Absences Before or After Holiday**

Associates shall not be entitled to holiday pay if absent the scheduled day prior to or the scheduled day after a holiday unless approved by management, such as a documented illness (Doctor's excuse).

#### **Section 5. National Holidays**

Eligible full-time associates actively at work and covered by this Agreement are paid holiday pay for the following National holidays:

- New Years Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day

If an sales associate is required to work on a National holiday, they may with managements approval, take another day off in place of the holiday.

**Note:** Eligible part-time associates covered by this Agreement are paid holiday pay only for Thanksgiving Day and Christmas Day.

#### **Section 6. Jury Duty**

- Full-time associates covered by this Agreement are excused from work and are paid for time absent when they are summoned to jury duty. Associates retain any payments from the court.
- Part-time associates covered by this Agreement are excused from work but are not eligible for compensation unless required by state law.

#### **Section 7. Funeral Leave**

Associates covered by this Agreement are eligible for time off for the reasons specified in this section, unless otherwise noted. Absences may be compensated or non-compensated, depending on associate classification.

##### **In the Immediate Family**

Mother or stepmother, father or stepfather, sister or stepsister, brother or stepbrother, child or stepchild, wife or husband, domestic partner.

Full-time associates are paid for time absent from scheduled work on the day of death through the day after the funeral, but not to exceed five (5) calendar days.

Part-time associates are paid for time absent from scheduled work on the day of the funeral or the last work day prior to the funeral, if not scheduled on the day of the funeral.

##### **Non-immediate Family**

Daughter-in-law, son-in-law, mother-in-law, father-in-law, brother-in-law, sister-in-law, aunt or uncle of associate or spouse, niece or nephew of associate or spouse, first cousin of associate, grandparent or step-grandparent of associate, grandchild or step-grandchild of associate, great-grandparent of associate, great-grandchild of associate, great-grandparents of spouse, mother or step-mother of domestic partner, father or stepfather of domestic partner, child or stepchild of domestic partner, daughter-in-law or son-in-law of domestic partner, brother or sister of domestic partner, aunt or uncle of domestic partner, niece or nephew of domestic partner, grandparents of domestic partner, great-grandparents of domestic partner.

**Note:** If the deceased relative was living in the associate's home at the time of death, the relative is considered an immediate family member.

Full-time associates are paid for time absent from scheduled work on the day of the funeral of a non-immediate family member, except that full time associates are paid for time absent from scheduled work on the day of death through the day after the funeral, but not to exceed three (3) calendar days, in the case of current mother-in-law and current father-in-law. Absences due to the death of a non-immediate family member, up to five (5) days, will not be tracked as an occurrence for the Attendance Program.

Part-time associates are excused from work but are not compensated.

### **Section 8. FMLA**

Associates are not required to use accrued vacation days or personal holidays when they take an FMLA leave of absence.

## **ARTICLE XIII** **GENERAL CONDITIONS**

### **Section 1 Safety Committee**

The parties recognize the importance of safety at the McMurray Product Service unit. It shall be the responsibility of the Company to provide a safe place in which to work. There will be a permanent safety committee consisting of two (2) members of the Union (1 support and 1 technician) and one (1) member of management. The Union members shall be selected by the Union from any location in the District.

The joint committee will meet as needed, but not less than quarterly, during scheduled work hours. The Union's safety committee will be compensated at their hourly rate on straight time. The committee, via conference call, will consult with a safety representative from each reporting location. The District Manager will consider any changes recommended by the committee. Minutes of all meetings will be promptly distributed to all members.

### **Section 2. Tools and Equipment**

The Company shall provide all tools, equipment, vehicles (technicians only) and supplies needed in the performance of work. Associates are responsible to reasonably safeguard assigned tools, equipment and supplies from theft, loss and abuse. Misuse or abuse of the foregoing practice shall be considered just cause for discipline, up to and including discharge.

### **Section 3. Uniforms**

Technicians and Sales Floor associates are responsible to wear uniforms as described in the Company Uniform Program at all times during work hours.

Technicians and Sales Floor associates reporting to work not in uniform or not conforming to a professional appearance as described in the Company issued Uniform Program may be sent home without pay.

Technicians are not permitted to wear Company uniforms during non-working hours except while commuting to and from work.



The Company will provide coveralls or insulated coveralls where needed for parts and technical use. In addition, all Full-time technicians will receive five (5) uniform shirts and trousers, one (1) belt, one (1) summer and one (1) winter hat and one (1) summer and one (1) winter jacket.

Replacement uniforms will be issued as needed upon turn-in of worn garments.

#### **Section 4. Meetings**

Associates required to attend Company meetings shall be paid in accordance with the terms of this Agreement including applicable overtime. Employees on vacation, off sick or scheduled will be excused.

#### **Section 5. Background Check**

- (a) In an effort to fulfill Sears' continuing commitment to protect its customers, associates and assets, the Company will perform a one time background check on current associates. Associates must sign the Employment Screening Release Form as a condition of their continued employment. The Company will follow the national Background Check Program, as currently administered and periodically amended, with respect to the associates covered by this Agreement. Should the Company, on a national basis, amend or modify the Background Check Program, then such amendments or modifications shall be instituted with respect to associates covered by this Agreement. Sears shall notify the Union at least ten (10) days before any said amendments or modifications. With regard to driving record checks, the Company retains the right to perform a driving record check annually or for cause.
- (b) If the results of the background check information received could have an adverse impact on the associates employment status, the associate will be supplied a copy of the report. The associate will be afforded an opportunity to review the report to ensure that Sears has not received inaccurate or incomplete information. No final decision regarding the associate's employment will be made until at least five (5) business days after providing the report to the associate. The associate will be suspended from work and paid for any schedule hours not to exceed five (5) business days. This will allow the associate an opportunity to review and respond to the information and offer any information that he/she would like Sears to consider on his/her behalf.
- (c) The information received from the background report will be evaluated by Sears HR professionals on how it reasonably relates to the associate's job assignment or whether continued employment poses an unreasonable risk to the Company's assets, safety or the welfare of co-workers and the public. Other factors considered in determining whether employment will be continued include, but are not limited to, the seriousness of any criminal conviction, when the crime was committed, the circumstances surrounding the crime and whether the associate failed to disclose or otherwise misrepresented the conviction when hired and the associate's rehabilitation efforts. If the information received from the background report indicates that criminal charges are pending, and those charges are determined to reasonably relate to the associate's job assignment or whether continued active employment poses an unreasonable risk to the Company's assets, safety or the welfare of co-workers and the public, the associate shall be placed on an unpaid leave of absence. If the charges are resolved favorably to the associate, he/she will be reinstated to his/her position without back pay. If the charges are not resolved favorably to the associate, the Company will make a determination as to whether active employment would continue.

#### **Section 6. Trucks**

- (a) The assignment of Company vehicles shall rest solely with the Company. Associates assigned vehicles shall not permit any unauthorized passengers access to the vehicle and shall keep the vehicle locked at all times when unattended. Any unauthorized use of Company owned vehicles shall be just cause for discipline up to and possibly including termination.
- (b) Each associate assigned the use of a Company owned vehicle must return the vehicle to the Company designated area at the end of the day unless otherwise approved by management. Approval by management for a technician to take his/her assigned vehicle home will be based on good business practices as determined by management. As a condition for such assignment, technicians shall be required to: provide reasonable security, maintain the satisfactory appearance of the interior and exterior of the vehicle, maintain proper routine preventive maintenance schedules with the co-operation of their tech manager, and report to management the need for any non-routine mechanical maintenance. Company vehicles shall not be modified or equipped except as authorized by management.
- (c) All associates driving Company vehicles are required to maintain and provide proof of a valid driver's license and to promptly report all traffic violations and the loss of driving privileges to management.

- (d) The operation of Company vehicles is subject to the "Sears Product Repair Services Driver's Operating and Safety Manual" as currently administered and periodically amended from time to time.

### **Section 7. Home Dispatch Program**

The parties agree to the Home Dispatch Program as set forth and incorporated herein as Exhibit "B". Upon reasonable advance notice to the Union, the Company can eliminate the Home Dispatch Program.

If a court of competent jurisdiction declares Exhibit B (Sears Home Dispatch program) or any provision contained therein to be illegal or unenforceable, and all appeals have been exhausted, the parties agree to re-negotiate, within ten (10) days of said final Order, those terms of Exhibit B that have been ruled illegal or unenforceable.

### **Section 8. Scheduled Groups**

The parties agree to the Scheduled Groups as set forth and incorporated herein as Exhibit "C".

### **Section 9. Mileage Reimbursement**

The associates will be paid at the prevailing rate when he/she uses their automobile for Company business. Such use is voluntary. Insurance requirements will conform to Company standards.

### **Section 10. Personal Property**

The Company will reimburse a service associate for such personal property lost through robbery up to a limit of one hundred fifty (\$150.00) dollars is not a victim of his/her own carelessness and supplies a copy of the police report of the incident to the Company.

### **Section 11. Polygraph Tests**

Associates will not be subject to polygraph tests.

### **Section 12. Safety Concerns**

Service technicians working in a safety sensitive area shall be offered a second associate at anytime the technician deems necessary. It is understood that technicians shall be required to take any assigned call, but not to remain in any situation they deem unsafe. Any technician needing or requesting a second associate shall meet such person outside the area.

If a technician deems a work area to be unsafe regarding high or low temperature, or a confined workspace for human occupancy, the technician is to contact his or her immediate manager for assistance and/or direction.

The Company will endeavor to schedule service calls in safety sensitive areas, as identified by the LOA dated September 6, 2011 referencing zip codes, in the 8 to 12 time window. Exceptions may be made to this provision when necessary to provide emergency service to the customer.

### **Section 13. Truck Safety**

The Company will not require an associate to drive a Company vehicle that is not in safe operating condition. Associates will report unsafe vehicles to their immediate manager or to the Area Operations Manager to arrange for timely repairs. The vehicle will be checked and repaired by a service provider approved by Fleet Management Company before it is put back into service. The Company will make every effort to provide the technicians, whose trucks are down for repair, another truck until their truck has been repaired.

If a technician believes the replacement tires offered for his truck do not conform to the corporate standard of "aggressive tread design" they should immediately notify their immediate manager to resolve the tire issue with the vendor.

## **Section 14. Training**

~~Associates assigned to conduct formal classroom training will be paid an additional twenty two dollars and fifty cents (\$22.50) per day for each day spent in preparation and days of actual training. Technicians who perform ride along training to other technicians will be compensated an additional twelve dollars and fifty cents (\$12.50) a day. The selection of associates to conduct such training shall be made with the Union's input.~~

The Company will follow the In Home Mentor Technician program as currently administered and periodically amended from time to time. Technicians selected by the Company as Mentor Techs must fulfill all training requirements to be a Mentor Tech, must continue to remain eligible to be a Mentor Tech and must maintain annual certification. Mentor Techs will be assigned at the sole discretion of the Company based upon business need. The selection of associates to conduct mentor training shall be made with the Union's input. On days that the Company assigns the technician to perform as a Mentor Tech, associates will be paid an additional twenty dollars (\$20.00) for that day.

The Company will provide product training no less than two times a year during Safety Ready Meetings.

## **ARTICLE XIV DRUG FREE WORK PLACE**

1. Associates are expected and required to report to work on time and in an appropriate mental and physical condition to work.
2. The unlawful manufacture, distribution, dispensation, possession or use of a controlled substance on Company premises or while conducting company business off company premises is prohibited. Violation of this policy will result in disciplinary action, up to and including termination.
3. Associates must, as a condition of employment, abide by the terms of the Company's ~~11/08/10~~ Drug-Free Workplace Program as that Program is uniformly administered and amended periodically on a national basis. Should the Company, on a national basis, amend, modify or terminate the Program, then such amendments, modifications or termination shall be instituted with respect to the associates covered by this Agreement. Sears shall notify the Union of any changes to the program at least ten (10) days before they are unilaterally implemented.
4. Associates must report any conviction for violating any federal, state or local law or regulation pertaining to the unlawful use of a controlled substance, whether occurring on or off Company premises or before or after conducting Company business. A report of the conviction must be made within five (5) days after the conviction.

## **ARTICLE XV SAVINGS CLAUSE**

In the event any provision of this Agreement shall be declared unlawful under any existing or future State or Federal Law, the provision declared illegal shall be considered null and void and the Employer and the Union will, within ten (10) days thereafter, meet for the purpose of negotiating changes made necessary by such State or Federal Law. The remainder of this Agreement shall remain in full force and effect.

## **ARTICLE XVI COMPLETE AGREEMENT**

It is agreed that during the negotiations leading to the execution of this Agreement, the parties have had full opportunity to submit all items appropriate for collective bargaining and that this Agreement incorporates the full and complete understanding between the parties, superseding and invalidating any prior practices or understandings, whether oral or written, not specifically provided for in this Agreement. Therefore, for the terms of this Agreement, both parties voluntarily waive the right, and agree that the other party shall not be obligated to bargain collective with respect to any subject or

matter not specifically referred to or covered by this Agreement, except where the parties mutually agree to do so, or where a term or provision of the Agreement requires negotiations.

### **ARTICLE XVIII** **TERMINATION CLAUSE**

This Agreement shall remain in full force and effect from January 1, 2014 through December 31, 2016. This agreement shall be automatically renewed each year thereafter upon each anniversary of said date, unless written notice to the contrary be given to either party by the other on or before sixty (60) days prior to said anniversary date.

Any notice given under this Agreement shall be by Certified Mail and, if by the Employer, be addressed to United Steelworkers of America, 5 Gateway Center, Pittsburgh, PA. 15222 and, if by the Union, be addressed to Sears, Roebuck and Co., Labor Relations Manager, A3-101B, 3333 Beverly Road, Hoffman Estates, IL 60179.

IN WITNESS THEREOF, WE, the undersigned duly authorized representatives of the parties, hereunto affix our hands.

**SEARS, ROEBUCK AND COMPANY**

**UNITED STEELWORKERS OF AMERICA**  
**DISTRICT 10 LOCAL UNION #**

BY \_\_\_\_\_

BY \_\_\_\_\_

BY \_\_\_\_\_

BY \_\_\_\_\_

BY \_\_\_\_\_

BY \_\_\_\_\_

BY \_\_\_\_\_

BY \_\_\_\_\_

DATE \_\_\_\_\_

DATE \_\_\_\_\_

## EXHIBIT "A" – WAGES

All Support and Technical associates will receive the following negotiated wage increases:

<del>On or about 01/01/00</del>	<del>On or about 01/01/12</del>	<del>On or about 01/01/13</del>
<del>\$ .00</del>	<del>\$ .25</del>	<del>\$ .35</del>

All Sales associates will receive the following negotiated wage increases:

<del>Effective Date of Ratification</del>	<del>On or about 01/01/12</del>	<del>On or about 01/01/13</del>
<del>\$ .15</del>	<del>\$ .15</del>	<del>\$ .15</del>

Starting rates shall be as outlined below:

	Start
<b>Sales/Support</b>	\$ 7.75
<b>Leads</b>	\$10.60
<b>PM Tech</b>	\$12.25
<b>Tech Level 1</b>	\$13.00
<b>Tech Level 2</b>	\$15.00

**Level 1** – HA, General and Lawn and Garden Technicians

**Level 2** - Electronic or CFC certified HVAC/General Technicians

The Company reserves the right to increase starting rates as it deems necessary to maintain a competitive position in the market. An experienced applicant may be offered a starting rate higher than the scale and will move up annually regardless of starting point.

Technicians/Associates who are promoted to a higher classification shall receive a 4% increase to their current base rate of pay or shall be moved to the start rate in Exhibit A, whichever is higher, effective upon completion of training.

The Company may implement national incentive programs to eligible associates within the bargaining unit. Should the Company, on a National basis, amend, modify or terminate the above incentive/lead referral programs, then such amendments, modifications or terminations shall be instituted with respect to associates covered by this Agreement without prior notification or negotiation.

### Quarterly Bonus Program

Effective Date of Ratification of this Agreement, technicians shall be compensated with their current base hourly rate (in effect at date of ratification) plus participation in the Quarterly Bonus Program, as follows:

1. A Quarterly Bonus awarded to those Service Technicians who improve their current average net completes per day from their YTD 11/2/2014 Net CPD ("baseline") and/or reach the following levels of average net completes per day as follows:

For Q4 2014 & Q1 2015 ONLY:

Improvement			Reach	
	Payout			Payout
Improve by .25 a call Net CPD	\$25		4.0-4.49 Average Net CPD	\$25
Improve by .50 a call Net CPD	\$50		4.50-4.74 Average Net CPD	\$50
Improve by .75 a call Net CPD	\$100		4.75-4.99 Average Net CPD	\$100
Improve by 1.0 a call Net CPD	\$125		5.0-5.49 Average Net CPD	\$125
			5.5 or above Average Net CPD	\$250

For Q2 2015 through Q4 2016:

Improvement			Reach	
	Payout			Payout
Improve by .25 a call Net CPD*	\$25			
Improve by .50 a call Net CPD*	\$50		4.50-4.74 Average Net CPD	\$50
Improve by .75 a call Net CPD*	\$100		4.75-4.99 Average Net CPD	\$100
Improve by 1.0 a call Net CPD*	\$125		5.0 or above Average Net CPD	\$125
			5.5 or above Average Net CPD	\$250

\*In order for the Improvement Bonus to be paid out, for Q2 2015 through Q4 2015, the Technician must be at an Average 4.25 Net CPD or higher; for Q1 2016 through Q4 2016, the Technician must be at an Average 4.5 Net CPD or higher.

- Preventative Maintenance Technicians who improve their current average net completes per day from their YTD 11/2/2014 Net CPD ("baseline") according to the above charts will be eligible for Improvement Bonus payouts only. PMTs are ineligible for Reach Payout Bonuses.
- Each technician shall be informed of their average year to date net completes per day as of November 2, 2014. This will be considered the "baseline" Net CPD number for each technician by which bonus eligibility will be determined. The Company will provide the technicians with their baseline number no later than November 30, 2014.

4. The quarterly bonus shall be calculated within a month of the close of the quarter, and the quarterly bonus shall be paid within a month of the calculation.
5. Technicians who are on an EPV or APV will be ineligible for participation in the program in the quarter in which the EPV/APV was administered.
6. New technicians or technicians who are transferred to a different industry shall be assigned a "baseline" number which shall be the average net completes per day for the industry for which they are assigned. This baseline number will be applied for the first two quarters in which the technician runs calls. For quarters thereafter, their baseline number will be their YTD Average Net CPD at the close of the completion of the two quarters.
7. The program will run in the following quarters: Q4 2014, Q1 2015, Q2 2015, Q3 2015, Q4 2015, Q1 2016, Q2 2016, Q3 2016 and Q4 2016.

## **EXHIBIT "B" – HOME DISPATCH**

### **Home Dispatch Program**

### **Tech Communication**

#### **Home Dispatch Program – Overview**

- In-Home Repair technicians have the option to use the service van for their personal commute to and from work.
- This can save on the expense of owning a second personal vehicle.
- In addition, the company will pay for the fuel and maintenance of the service van for the travel associated with your personal commute to and from work.
- **Participation in this program is voluntary and may be changed at any time.**
- All In-Home Repair technicians will use the SST to transfer information via phone line from home whether or not you participate in the Home Dispatch Program.
- If you cannot park the service van at your home, you may request approval for an alternate location, close to your home and convenient to your commute. The location must be approved by your District Service General Manager.
- If you choose not to use the service van for your personal commute, the parking location of the service van will generally be aligned with your primary work area. The parking location is subject to change based on business needs and security of the service van.
- **If you choose to participate in the Home Dispatch Program:**
  - You will be able to use your service van for your personal commute to and from work.
  - Sears/A&E will pay for the fuel and maintenance of the service van for the travel associated with your personal commute to and from work.
  - If you cannot park the service van at your home, you may request approval for an alternate location close to your home and convenient to your commute. The location must be approved by your District Service General Manager.
  - You will be paid for any commute time at either end of the workday that exceeds the normal commute time, which is 35 minutes.
    - For example, if the commute time from your home to the first customer location is 45 minutes, you will be paid for 10 minutes. Similarly, if the commute from the last customer location to your home (at the end of the workday) is 45 minutes, you will be paid for ten minutes.
  - If your commute time is 35 minutes or less, your compensation will begin upon arrival at the first customer home (or unit in the event of a meeting, etc) and will end when work is completed at the last customer home.
  - Normally, your truck stock replenishment parts and supplies will be shipped to your home.
  - You must place the replenishment parts and supplies shipments unopened in the service van as necessary and when convenient.
  - You must open replenishment parts and supplies shipments and restock your truck during paid working hours only.
- **If you choose not to participate in the Home Dispatch Program:**
  - You will not use the service van for your personal commute.
  - Your manager will provide you with the parking location, upon your request, prior to your HDP selection.
  - The parking location of the service van will generally be aligned with your primary work area. The parking location is subject to change based on business needs and security of the service van.
  - You will be responsible for the commute to and from the service van parking location on your own time and in your own vehicle or using public transportation.
  - Your compensation will begin upon arrival at the service van parking location at the beginning of the day and will end upon arrival at the service van parking location at the end of the day.
  - You will receive truck stock replenishment parts and supplies, during paid working hours, at a location designated by your manager.



**Home Dispatch Program**  
**Participation Election Form**

We are distributing a HDP Participation Election Form which will allow you to designate whether or not you wish to participate in the HDP under the terms and conditions specified on the Form and detailed in Sears/A&E policies.

Please read the Form, indicate your selection, and sign the Form. The HDP Participation Election Form must be returned prior to the date you begin running service calls.

You may change your election at any time by requesting, completing and submitting a new form.

**Home Dispatch Program Participation Election Form**  
**Sears In-Home District**

The Home Dispatch Program (HDP) is voluntary. I am choosing to participate in Home Dispatch or not participate by selecting an option and signing at the bottom.

\_\_\_\_\_ I choose to participate in the HDP. (Enter initials in the space at left.)

In choosing to participate in the HDP, I understand and agree that:

- I will use the Sears provided service van for my personal commute to and from work. Sears will pay for the fuel and maintenance of the service van for the travel associated with the personal commute to and from work.

Technician's Home Address: \_\_\_\_\_  
 \_\_\_\_\_

- If I cannot park the service van at my home, I may request my District Service General Manager to approve an alternate location, close to my home and convenient to my commute, where I would like to park the service van.
- My compensation will begin upon arrival at the first customer's home (or unit in the event of a meeting, training, etc.) and will end when work is completed at the last customer's home.
- I will be paid for any commute time at either end of the workday that exceeds the normal commute time, which is 35 minutes. For example, if the commute to the first customer location is 45 minutes, I will be paid for ten minutes. Similarly, if the commute from the last customer location to my home (at the end of my workday) is 45 minutes, I will be paid for ten minutes.
- I will receive truck stock replenishment parts and supplies shipped to my home and I am to place them unopened in the van as necessary and when convenient. I will open/sort parts and supplies received during paid working hours only.
- I will use the SST to transfer information via phone line from home.

\_\_\_\_\_ I choose not to participate in the HDP. (Enter initials in the space at left.)

In choosing not to participate in the HDP, I understand and agree that:

- I do not wish to use the service van for my personal commute. My manager will provide me with the parking location of the service van, upon request, prior to my choosing not to use the service van for my personal commute. The parking location of the service van will generally be aligned with my primary work area at the time I make my decision whether or not to participate in the HDP. I know the parking location is subject to change based on business needs and security of the vehicle.
- I will be responsible for my commute to and from the parking location on my own time and in my own vehicle or using public transportation.

**Home Dispatch Program Participation Election Form**

- My compensation will begin upon arrival at the service van parking location at the beginning of the day and will end upon arrival at the service van parking location at the end of the day.
- I will receive truck stock replenishment parts and supplies during paid working hours at a location designated by my manager.
- I will use the SST to transfer information via phone line from home.

I understand the above options and that my choice is voluntary and may be changed at any time. I have initialed next to the option of my choice.

\_\_\_\_\_  
Technician Name (Print)

\_\_\_\_\_  
Technician Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Technical Manager Signature

**To be completed by Technical Manager:**

Effective date of Home Dispatch Election: \_\_\_\_\_

Alternate Parking Location (if technician home is not selected or available):  
\_\_\_\_\_

Alternate Shipping Location for Shipment of Parts and Supplies (if technician home is not selected or available):  
\_\_\_\_\_  
\_\_\_\_\_

**To be completed by District Service General Manager:**

Requested Alternate Parking Location and/or Alternate Shipping Location for Shipment of Parts and Supplies is approved.

\_\_\_\_\_  
DSGM Signature

\_\_\_\_\_  
Date

## **EXHIBIT "C" – SCHEDULED GROUPS**

Associates covered within this Agreement shall be assigned to one of the following scheduled groups, by capacity area, for the purpose of seniority, scheduling and work assignments including vacations, personal holidays and lay off:

Group 1  
WV-MD (FRU 1)

Group 5  
Ref/Plus

Group 9  
FRU 2 (except for HE and LG)

Group 2  
Cooking Plus (FRU 1)

Group 6  
HE Plus

Group 10  
Parts Sales Floor (Non-Technical)

Group 3  
HA/Dish (FRU 1)

Group 7  
LG

Group 11  
Parts Backroom (Non-Technical)

Group 4  
HV/Ref (FRU 1)

Group 8  
FRU 3 (except for HE and LG)

Group 12  
Customer Relations (Non-Technical)

To meet the demands of a changing business market and attempt to provide security and growth, it may be necessary to redefine a schedule group within a capacity area including the brand name (e.g. A&E). If a schedule group is redefined, those associates will be expected to perform any new specialty added or forfeit their seniority with respect to layoff. To accommodate this, the Company will provide training in specialty areas where associates are not currently qualified.

With regard to Sears and A&E brands, if a technician in the same capacity area has the skill and ability needed to perform the work and is willing to enter the schedule group (uniform, truck, etc.) they may exercise their seniority between brands to avoid a layoff.

For layoffs in Groups 6 and 7 (HE and LG), the needs of the business in the geographical area of the technician will first be considered.

## **EXHIBIT "D" – PM Check Technician**

The PM Check Technician will provide technical service for Preventive Maintenance calls, shuttle necessary parts and supplies for service repair completion for repair technicians, and to perform on-the-job training task when working with a Repair Technician on call types.

The P.M. Check Technician's role is broken into three categories, Preventive Maintenance calls, Value Added Service Product selling and misc. assistance needed by experienced technicians.

The P.M. Check Technician will be outfitted with many of the same resources as our Repair Technicians are. (Uniforms, Company Van, SST, P.M. & V.A.S.P. parts assortment, and basic tools and equipment needed to perform the responsibilities.)

### **Seniority:**

It is our intention that the P.M. Check Technicians will be a sub division of our HA industry including laundry, cooking and A&E technicians and will have seniority amongst themselves ~~being subject to lay off prior to any HA repair technician.~~ PM Check Techs will be subject to layoff according to the needs of the business.

A technician in another industry who may be subject to lay off would have to accept the pay scale of this position if bumping.

### **Job Bidding:**

The P.M. Check Technician be eligible to bid into a repair position if so desired. They would not be able to bid into a repair position before twelve (12) +8 months on the job unless the Company and the Union mutually agree that the individual's ability demonstrates an earlier bid.

## LETTER OF UNDERSTANDING

This letter of understanding is by and between Sears, Roebuck and Co., McMurray, PA Product Repair Service District hereinafter termed Employer or Company, and the United Steelworkers of America AFL-CIO-CLC Local Union #5852-28 District 10 hereafter called the Union.

Pursuant to a ratified Collective Bargaining Agreement between Sears and Steelworkers Local 9509 for the period of January 1, 2014 through December 31, 2016, the Union acknowledges that the Company has the right to assign the work into another business group or model outside of the collective bargaining unit. Before any such re-assignment occurs, the Company agrees that it will give sixty (60) days notice of the change to the Union, and shall, if requested by the Union, bargain the effects of the transition. In the event of such a transition, associates shall, on a seniority basis, be offered the ability to transfer to the business group or model to which the work has been assigned without any break in service. Any associate who declines to transfer shall be provided cross training to work in other divisions, and no such associate shall be laid off as a result of declining to transfer.

**SEARS, ROEBUCK AND COMPANY**

**UNITED STEELWORKERS OF AMERICA  
DISTRICT 10**

BY \_\_\_\_\_

BY \_\_\_\_\_

DATE \_\_\_\_\_

DATE \_\_\_\_\_

BY \_\_\_\_\_

BY \_\_\_\_\_

DATE \_\_\_\_\_

DATE \_\_\_\_\_

## LETTER OF UNDERSTANDING

This letter of understanding is by and between Sears, Roebuck and Co., McMurray, PA Product Repair Service District hereinafter termed the Company, and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO-CLC, on behalf of Local Union #5852-28 LU 9509 LOCAL UNION #5852-28 hereafter called the Union.

Upon presentation of a signed written authorization, the company agrees to deduct a designated amount for the United Steelworkers PAC from the biweekly pay of each employee who has executed an authorization. The amounts deducted will be combined and remitted to the Steelworkers PAC each month. In the event of any future change in federal election law or regulations which no longer require the company to make these deductions, the company's obligations as described in this paragraph shall terminate. In the event the company discontinues this program for all associates, the company's obligations as described in this paragraph shall terminate.

**SEARS, ROEBUCK AND COMPANY**

**UNITED STEELWORKERS OF  
AMERICA - DISTRICT 10**

BY \_\_\_\_\_

BY \_\_\_\_\_

DATE \_\_\_\_\_

DATE \_\_\_\_\_

BY \_\_\_\_\_

BY \_\_\_\_\_

DATE \_\_\_\_\_

DATE \_\_\_\_\_

## LETTER OF UNDERSTANDING

This letter of understanding is by and between Sears, Roebuck and Co., McMurray, PA Product Repair Service District hereinafter termed the Company, and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL CIO CLC, on behalf of LU 9509 LOCAL UNION #5852-28 hereafter called the Union.

Pursuant to a ratified Collective Bargaining Agreement between Sears and Steelworkers Local 9509 for the period of January 1, 2011 through December 31, 2013, the Company and the Union agree that the following individuals will receive the following general wage increases:

Name	Anniversary Date 2011	Anniversary Date 2012	Anniv. Date 2013
David Hromada	\$ .50	\$ .50	\$ .50
Shaun McCamey	\$ .50	\$ .50	\$ .50
Eric Simms	\$ .50	\$ .50	\$ .50
Michael Pivrotto	\$ .50	\$ .50	\$ .50
			CBA
			GWI*
Bryan Brooker	\$ .50	CBA GWI*	CBA GWI*
William Marshall	\$ .50	\$ .50	\$ .50
Robert Sanders	\$ .50	\$ .50	\$ .50
		\$ .50	
Lisa Marshall	\$ .50	\$ .50	\$ .50
		\$ .50	
Nicholas Mares	\$ .50	CBA GWI*	CBA GWI*
Vincent Ruby	\$ .50	\$ .50	CBA
			GWI*

Those listed above shall receive (or have received) the above increases as indicated, unless increase is listed as "CBA GWI," which shall be the general wage increase as provided by the Collective Bargaining Agreement, and the "\*" denotes that the CBA GWI will be paid on or about 01/01/12 and/or 01/01/13.

**SEARS, ROEBUCK AND COMPANY — UNITED STEELWORKERS OF AMERICA — DISTRICT 10**

BY \_\_\_\_\_ BY \_\_\_\_\_

DATE \_\_\_\_\_ DATE \_\_\_\_\_

BY \_\_\_\_\_ BY \_\_\_\_\_

DATE \_\_\_\_\_ DATE \_\_\_\_\_

## LETTER OF UNDERSTANDING

This letter of understanding is by and between Sears, Roebuck and Co., McMurray, PA Product Repair Service District hereinafter termed the Company, and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO-CLC, on behalf of Local Union #5852-281-U 9509 hereafter called the Union.

Pursuant to a ratified Collective Bargaining Agreement between Sears and Steelworkers Local 9509 for the period of January 1, 2014 through December 31, 2016, the Company and the Union agree that the following zip codes will be considered safety sensitive areas:

15219  
15206  
15221  
15208  
15207.

**SEARS, ROEBUCK AND COMPANY**

**UNITED STEELWORKERS OF  
AMERICA - DISTRICT 10**

BY \_\_\_\_\_

BY \_\_\_\_\_

DATE \_\_\_\_\_

DATE \_\_\_\_\_

BY \_\_\_\_\_

BY \_\_\_\_\_

DATE \_\_\_\_\_

DATE \_\_\_\_\_



## LETTER OF UNDERSTANDING

This letter of understanding is by and between Sears, Roebuck and Co., McMurray, PA Product Repair Service District hereinafter termed the Company, and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO-CLC, on behalf of Local Union #5852-28 hereafter called the Union.

Pursuant to a ratified Collective Bargaining Agreement between Sears and USW Local Union #5852-28 for the period of January 1, 2014 through December 31, 2016 and currently mutually extended, the parties agree that the Harrisburg OTC unit will be open for business on Sundays until further notice. In so doing, Company will:

- a. Operate the facility with Hours of Operation on Sunday that consist of 10 am to 4 pm, beginning Sunday, April 27, 2014, with the Company's reservation of its right to change these Hours of Operation provided it has given the Union 2 weeks' notice of the change;
- b. Staff the Sunday Shift with two hourly associates. Volunteers to work the shift will be honored based upon seniority; should an insufficient number of associates volunteer to cover the Sunday shift, associates will be mandated to work the shift based upon inverse seniority. The Company reserves the right to determine and redetermine the number of associates necessary for this operation in its sole discretion;
- c. Designate the one currently open requisition be filled by an individual who is permanently assigned to cover the Sunday shift; and
- d. Pay a Sunday Shift Premium of an additional \$1.00/per hour for all hours actually worked on Sunday.

## LETTER OF UNDERSTANDING

This letter of understanding is by and between Sears, Roebuck and Co., McMurray, PA Product Repair Service District hereinafter termed the Company, and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO-CLC, on behalf of Local Union #5852-28 hereafter called the Union.

Pursuant to a ratified Collective Bargaining Agreement between Sears and USW Local Union #5852-28 for the period of January 1, 2014 through December 31, 2016 and currently mutually extended, the parties agree that the Parts Lead position at the Harrisburg OTC unit will be eligible to participate in the Company's SPARC Program, as currently administered and periodically amended, at the level of "Hourly Store Supervisor" subject to the Program's eligibility, qualifying performance, and payout requirements. The parties understand and agree that the SPARC Program may be modified and/or discontinued at the Company's discretion at any point during the Labor Contract's term.

## LETTER OF UNDERSTANDING

### TO REMAIN UNPUBLISHED

This letter of understanding is by and between Sears, Roebuck and Co., McMurray, PA Product Repair Service District hereinafter termed the Company, and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO-CLC, on behalf of Local Union #5852-28 hereafter called the Union.

Pursuant to a ratified Collective Bargaining Agreement between Sears and Steelworkers Local Union #5852-28 for the period of January 1, 2014 through December 31, 2016, the Company and the Union agree to the following:

#### Base Hourly Rate Adjustment Opportunities

##### A. Preventative Maintenance Technicians

PMTs who have worked a minimum of 1,040 hours in FY2014, and are below the hourly rate of \$15.50, shall be eligible for an hourly wage increase of up to \$1.00 per hour, with a maximum rate of \$15.50, effective February 1, 2015, provided the PMT has at least a 8.0 Average Net Completes Per Day Fiscal Year To Date as of January 31, 2015.

PMTs who have worked a minimum of 1,040 hours in FY2015, and are below the hourly rate of \$15.50, shall be eligible for an hourly wage increase of up to \$1.00 per hour, with a maximum rate of \$15.50, effective February 1, 2016, provided the PMT has at least a 8.5 Average Net Completes Per Day Fiscal Year To Date as of January 31, 2016.

##### B. Technician Level 1

Technicians Level 1 who have worked a minimum of 1,040 hours in FY2014, and are below the hourly rate of \$17.80, shall be eligible for an hourly wage increase of up to \$1.00 per hour, with a maximum rate of \$17.80, effective February 1, 2015, provided the technician has at least a 4.25 Average Net Completes Per Day Fiscal Year To Date as of January 31, 2015.

Technicians Level 1 who have worked a minimum of 1,040 hours in FY2015, and are below the hourly rate of \$17.80, shall be eligible for an hourly wage increase of up to \$1.00 per hour, with a maximum rate of \$17.80, effective February 1, 2016, provided the technician has at least a 4.75 Average Net Completes Per Day Fiscal Year To Date as of January 31, 2016.

##### C. Technician Level 2

Technicians Level 2 who have worked a minimum of 1,040 hours in FY2014, and are below the hourly rate of \$20.50, shall be eligible for an hourly wage increase of up to \$1.00 per hour, with a maximum rate of \$20.50, effective February 1, 2015, provided the technician has at least a 4.25 Average Net Completes Per Day Fiscal Year To Date as of January 31, 2015.

Technicians Level 2 who have worked a minimum of 1,040 hours in FY2015, and are below the hourly rate of \$20.50, shall be eligible for an hourly wage increase of up to \$1.00 per hour, with a maximum rate of \$20.50, effective February 1, 2016, provided the technician has at least a 4.75 Average Net Completes Per Day Fiscal Year To Date as of January 31, 2016.